



MONTGOMERY COUNTY COUNCIL  
ROCKVILLE, MARYLAND

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TRANSPORTATION, INFRASTRUCTURE  
ENERGY & ENVIRONMENT COMMITTEE

**Statement from Councilmember Roger Berliner  
on Resolution to Reform Liquor Control in Montgomery County**

Today the County Council unanimously passed a resolution that asks our State delegation to reform a significant part of the County's antiquated liquor control system.

For nine years I have asked myself why our County is the only county in the country to have a monopoly in the liquor business. The answer, it seems, is simple: revenue and county employee jobs. I don't find that answer satisfying, even on a day when we are adopting a significant budget savings plan.

Why? Because we do not do this business well. Based on answers I got when I sat in on the Ad Hoc Committee meetings, we don't even pretend to think like a business. Other jurisdictions are delivering on 24 hour cycles, while our County businesses wait up to a week or more to get an order corrected. Until the committee brought it to their attention, the DLC had not even thought seriously about performance metrics - as any serious business would have. The testimony that was submitted to the Ad Hoc committee over these last few months was overwhelming, and carried an unmistakable theme throughout: our DLC is unresponsive and inefficient.

These results are not surprising – we are not a business enterprise. If you combine the absence of business instincts and imperatives with a grant of monopoly power, you have the worst of both worlds. Our county has plenty of experience with monopolies, including those that we created or the State created. Pepco. Our taxi cab industry. We know how poorly these monopolies have served our community. Our liquor monopoly performs no better.

And while we focus on the revenue we gain, we have not focused enough on the revenue we lose. Total Wine in McLean estimates that one third of its business comes from Montgomery County. They love us there. We are the District of Columbia's best friend when it comes to liquor, because our residents shop for their liquor there. If we were to repatriate the dollars that flee our county, we would plug a good portion of the revenue we are concerned about.

I have heard the arguments that our monopoly helps both public health and public safety. I don't accept them. I don't think our county residents are healthier than residents in the rest of the United States by virtue of our liquor monopoly. I don't accept that we consume less alcohol, as our county statistics would suggest, because our county statistics by definition don't incorporate all the dollars spent in DC, Prince George's County and Virginia. And I don't accept that we lose our ability to control to whom and by whom liquor is sold if we were to get out of the business. Public safety is not at stake in the debate over DLC's future role in the marketplace.

I do appreciate that our county employee union has jobs at stake. That is true. It is also true that other unions, such as the Teamsters, would gain jobs as a result. And it is also true that privatization efforts in other jurisdictions such as Washington State have demonstrated that more jobs are created. 91% more jobs. More jobs, not less jobs.

Let me be clear: for years I have championed the recommendation embodied in this resolution. I have met with restaurant owners and heard their stories; and I have convened meetings with DLC and our restaurants to bridge the communications gap. The bottom line is equally unambiguous: our restaurants have been hamstrung and harmed by the operations of the DLC. Restaurants do not come here for this very reason. But the record is mixed as to whether these reforms will in fact be realized. Wholesalers must participate for these reforms to be meaningful, and we have heard from major wholesalers that participating in this system is simply not worth it. Moreover, the resolution leaves discretion to DLC as to what qualifies as a special order, and allows DLC to decide whether a special order is now a “stock” item that must be bought from the county.

While I voted for the resolution, and appreciate the work of the Ad Hoc committee, it should only be the first step towards ending this monopoly for good. We should not stop here as though we have put this issue to bed. The public testimony was replete with pleas to go further. We must chart a path that leads us out of a business that no other county in the country is in. We are not good at it; it harms our reputation; it damages our economy; it robs us of jobs; it hurts consumers. It’s time to develop a phased exit strategy.